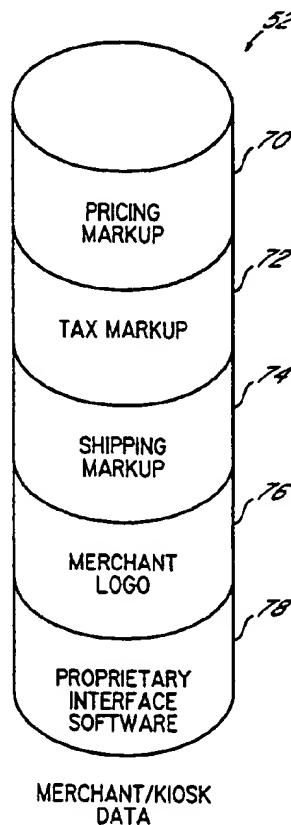


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**Langhammer**(10) **Pub. No.: US 2002/0099622 A1**(43) **Pub. Date: Jul. 25, 2002**(54) **MERCHANT-AFFILIATED DIRECT  
WHOLESALE MARKETING AND  
FULFILLMENT SYSTEM**(52) **U.S. Cl. .... 705/26**(76) **Inventor: Michael Jay Langhammer, Fairfield,  
OH (US)**(57) **ABSTRACT**

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A merchant-affiliated direct wholesale marketing and fulfillment system. A computer server receives information from a consumer and from this information assigns the consumer to one of a plurality of independent retail merchants. The server then provides the consumer's remote computer with identifying information for the assigned retail merchant, to be displayed along with information regarding products for sale. Consumers may then purchase products directly from the organization operating the server, with a partial profit from the transaction delivered to the assigned retail merchant. Consumers may also purchase products at merchants' retail locations, in which case a transaction is consummated between the organization operating the server and the merchant, permitting the merchant to resell the purchased item to the consumer. The system may also be used for fulfillment by merchants.

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ref.?

appropriate button or click area in step 354. When the user takes this action, the user is directed to a main page in a subdirectory on the server 12, where a demonstration catalog is provided. This subdirectory is known as a demo subdirectory because it is used for displaying demonstration catalogs to consumers. As will be discussed below, consumers are not able to view pricing in the demonstration catalog, but only can view the catalog of items. Item prices can be viewed, and items can be purchased, only after a merchant affiliation has been established.

[0086] In step 356 the user is directed to the main page in the demo subdirectory and then in step 358 this main page is displayed. In step 358, various steps are taken to determine the manner in which the main page in the subdirectory is to be displayed. The main page generally displays a list of product categories, from which the user may drill down to product categories and subcategories to eventually view and select an item, as is described below.

[0087] As part of setting up for display of the main catalog page, the user's computer is queried to determine if it has a temporary file known as a "cookie" storing information to be used by server 12. As noted below, a user will receive a cookie only after being affiliated with a merchant through the procedures described below. Unaffiliated users who do not have cookies, are not permitted to purchase items, and instead can only browse the demo or a merchant's subdirectory. Thus, in step 358 if a consumer/user has a consumer cookie then the consumer is redirected to a subdirectory for the assigned and affiliated merchant identified in the cookie. If the user's computer does not have such a cookie then the user remains in the demo subdirectory.

[0088] A second step taken in displaying the main page in step 358 is to determine whether the user is in a particular merchant's subdirectory. If the user has been moved to a particular merchant's subdirectory then that merchant's logo is displayed. If, however, the user is in the demonstration subdirectory then the wholesaler's logo is displayed in the place of a merchant logo.

[0089] It is anticipated that sponsors may wish to purchase advertising space on catalog pages displayed via server 12. Accordingly, in step 358 any applicable advertisements that have been purchased are displayed along with the merchant's or wholesaler's logo. It is anticipated that these advertisements may involve promotions for particular items for sale that a manufacturer wishes to promote.

[0090] It is also anticipated that different merchants affiliated with the direct marketing system will carry different items in their respective catalogs. For example, different merchants may have different authorizations from manufacturers to carry particular items. Also, different merchants may not wish to carry the lower end or the higher end of a particular manufacturers' line, or may not wish to carry goods of particular manufacturers. Thus, in step 358, if a user is in a merchant's subdirectory, then only those categories for which that merchant carries at least one item for online shopping are identified on the main page.

[0091] It will be appreciated that the direct marketing system when operated by a wholesaler, may be able to display categories of items and particular items for a wide variety of merchants where no two merchants may have exactly the same catalog of items carried. This is achieved

using the database structures described above, by selecting for a particular merchant only those items for which a merchant has the authorization level that was established by that item's manufacturer.

[0092] After displaying the main page of a merchant or demo subdirectory, the user is presented with a variety of buttons and click areas through which the user may select particular options for further browsing. These options may include viewing promoted items that are displayed in advertisements, and potentially transferring to advertisers' Internet locations, as well as other options. The options of interest for principles of the present invention are illustrated in FIG. 4A. In the first of these options, in step 360 the user selects a listed category to drill down to a display of that category.

[0093] Referring now to FIG. 4B, the display of a category and subcategories of items can be explained. When, after the main catalog page is displayed, the user drills down through to a category, and to subcategories, multiple pages showing product categories and subcategories are displayed (step 364). In each of these drill-down operations, several evaluations are made to determine what information should be displayed to the user and what further options should be available.

[0094] As the user drills down through the product categories and subcategories, it is determined at each step whether the user has a cookie with a consumer ID. If the user has such a cookie then the user is moved to the subdirectory of the affiliated merchant that has been associated with the consumer. If the user is in a merchant subdirectory, then the merchant's logo is displayed, otherwise the wholesaler's logo is displayed, as discussed above.

[0095] On each category and subcategory page, applicable category and subcategory advertisements are displayed. It will be appreciated that advertisers may wish to promote particular items only in connection with those customers who wish to view items in the same product category. For example, a watch manufacturer may wish to display particular watches in advertisements when users have selected the watch category for browsing. Thus, advertisements that are displayed by the system may be displayed in specific category and subcategory pages. In addition, advertisements may only be displayed when a user is in a merchant's subdirectory for a merchant that carries the advertised merchandise.

[0096] In step 364 if a user is in a merchant subdirectory, as noted above, only those subcategories in which the merchant carries at least one item for online shopping will be displayed. Thus, in the category and subcategory level, the catalogs displayable by merchants are customizable at whatever level of granularity is desired.

[0097] As the user drills through product categories and subcategories, ultimately in step 366 the user selects the lowest level subcategory for a particular line of goods. When this occurs in step 366, particular steps are taken to display items that are for sale in that subcategory. First, again, if the user has a cookie with a consumer ID number then the consumer is moved to the affiliated merchant's subdirectory that has been assigned to the consumer. If the user is in a merchant's subdirectory then the merchant's logo is displayed, otherwise the wholesaler's logo is displayed. When the user views the lowest level subcategory then particular

subcategory advertisements may be displayed if applicable. Furthermore, using the data structures described above, thumbnails for those items that are available and that the assigned merchant carries for online shopping are retrieved and presented to the user.

[0098] As noted above, some items in the catalog may be out of stock and thus unavailable for purchase at a given time, and some merchants may not be authorized to carry certain catalog items for on-line shopping. To determine whether a particular item is in stock, the item information table is consulted to determine whether field 288 of the record for the item indicates that the item is in stock. If an item is not indicated to be in stock in the item information table, a thumbnail for the item is not displayed and the consumer is unable to purchase the item.

[0099] To determine whether a particular item in a subcategory is authorized for on-line sale by a merchant, the manufacturer ID and authorization level for the item are retrieved from the item's information record, and the merchant authorization table is scanned to determine whether there is a record in this table reflecting that the merchant has the necessary authorization level for the manufacturer of the item.

[0100] It will be appreciated that in this and other similar thumbnail displays described below, in some cases there may be more items than can be easily displayed on a computer screen, in which case the lowest level subcategory may be displayed in multiple pages, each of which allows display and viewing of an appropriate number of thumbnails, and movement to a prior or subsequent page displaying additional thumbnails.

[0101] Thus, once in the lowest level subcategory, the user may view thumbnails of a variety of products in that subcategory and ultimately select, in step 368, a product thumbnail for detailed viewing. Once a thumbnail has been selected for viewing, the manner in which the product is displayed must be determined based upon various factors. Specifically, in step 370 it is determined whether the user is in a merchant's subdirectory. If the user is in a merchant's subdirectory then the user will be able to see pricing for the item which is shown in the selected thumbnail. If the user is not in the merchant's subdirectory then pricing will not be displayed. In this case, in step 372 the wholesaler's logo is displayed and a notice is presented indicating that registration is required for display of a price. As will be discussed below, the registration process causes a consumer to become assigned to an affiliated merchant, and causes the consumer to be transferred to the assigned merchant's subdirectory, so that pricing is always displayed, and purchases are always made, in affiliation with a merchant.

[0102] In addition to displaying the wholesaler logo and the registration notice, in step 374 the image for the selected item is displayed as well as a register button which can be pushed to register a consumer with the server 12 and thus become eligible to make purchases of items.

[0103] Returning to step 370, if the user is in a merchant subdirectory, then in step 376 it is determined whether the user's computer has a cookie with a consumer identifier in it. If not, the user is permitted to view the pricing for the selected item that has been established by the merchant but may not purchase the item without registering. Accordingly,

in this case in step 378 the merchant's logo is displayed and a retail price established by the merchant is determined by retrieving the wholesale price from the item info table, retrieving the merchant's markup from the merchant markup table or from the exception table, and computing and displaying the retail price. Processing then continues to step 374 where the image for the item and the register button are displayed so that the user may register to make a purchase for the item.

[0104] Returning to step 376, if the user is in a merchant subdirectory and has a cookie with a consumer ID, then the user is registered for making purchases, and has logged in to server 12. In this case, in step 380 the user is moved to their assigned merchant's subdirectory if the user is not already in their assigned merchant's subdirectory. Then in step 382 it is determined whether the assigned merchant carries the selected item. As noted above, some merchants may not carry all items. A user who attempts to view an item that their assigned merchant does not carry (this may occur if a user directly types the Internet address (URL) for an item rather than browsing through the web pages), will not be allowed to make the purchase of that item. Thus, if the merchant assigned to a consumer does not carry the selected item, then in step 384 the consumer is notified that their assigned merchant does not carry the item. If the consumer's selected merchant does carry the selected item, then in step 386 pricing for the item is displayed along with the merchant's logo. Here again, the pricing is determined from the wholesale price in the item info table and the merchant's markup identified in the merchant markup table or in the exception table. In step 388 an add to shopping cart button is displayed to the user indicating that the user is able to initiate a purchase for the item by adding it to a virtual shopping cart for that user.

[0105] Returning now to FIG. 4A, it was noted that a user viewing the wholesaler's home page may elect to take actions other than browsing a demonstration catalog. Specifically, a user that has previously established a login and password through the registration process, may in step 390 enter the login and password to log into server 12. If this step is taken, then processing continues to step 392 in which server 12 determines whether there is a matching login and password in the consumer information table. If not, then in step 394 the user is requested to reenter the password. If there is a matching login and password then in step 396 the consumer information table is accessed to find a record having the matching login and password. A merchant's identifier is obtained from this record. In step 398 ~~a cookie is delivered to the consumer's computer with the consumer's identifier so that this cookie may be later used to ensure that the consumer is directed to their merchant's assigned directory.~~ Then in step 400 the consumer is directed to the main page in the merchant's subdirectory and processing continues to step 358 in which the consumer may view the catalog under their assigned merchant's logo and select and purchase items.

[0106] As noted above, users may also arrive at step 358 and view the main page as part of viewing a demo catalog. This main page includes a button or click area that allows the user to enter a login and password and thus log into the system. When this is done in step 402, processing continues to step 392 to ensure that this login and password match

consumer information table entry, and if so the user is delivered a cookie and allowed to browse the catalog in the manner discussed above.

[0107] It can also be seen in FIG. 4A that ~~consumers may enter the catalog of the direct marketing system via links that appear in websites established by merchant affiliates.~~ In this case a consumer enters the catalog by first entering the internet address or URL of an affiliated merchant. While the consumer is viewing the merchant's homepage or another page in the merchant's website, in step 406 the consumer may press a button or click area to view the catalog provided by the direct marketing system. In this case the process continues to step 400 and the user is directed to the main page of the merchant's subdirectory, and then the process returns to step 358 to begin to view the catalog from that merchant's perspective.

[0108] It will be further appreciated that consumers who are accustomed to the mode of operation of the catalog, may directly enter the internet address or URL of the main page in the merchant's subdirectory. In step 408 a consumer who enters this internet address is directed directly to step 358 and can view this main page. A merchant seeking to advertise their affiliation with the direct marketing system catalog may advertise their main page address in the merchant subdirectory. Users who receive these advertisements may then directly enter at step 408 to that merchant's main page.

[0109] As noted above, a consumer viewing the wholesaler's homepage and logo may have additional options other than those described. Specifically, in step 410 the user may press a button or click area to request registration with the system. This causes the user to transition to step 412 in FIG. 4C which initiates the registration process. The registration process may also be initiated while an item is displayed, by pressing the register button in step 374 of FIG. 4B. It will be noted that other pages may also present the user with a button or click area to allow the user to log into or register with the server 12; only two of the possible places where registration may be initiated, have been discussed herein for exemplary purposes.

[0110] Once a user has elected to register with the direct marketing system, the user is directed to the registration process and specifically in step 420 of FIG. 4C, a new consumer information record is generated in the consumer information table having a unique consumer identifier. In step 422 a cookie is delivered to the user with a consumer identifier from the new record. In step 424 it is determined whether the user is currently in the subdirectory of a merchant or in the demo subdirectory. If the user is in a subdirectory of a merchant, this indicates that the user is a customer of that merchant and should be associated with that merchant. Thus, in this circumstance in step 426 the consumer information record is updated to associate the consumer identifier assigned to the consumer with the identifier of the merchant of the current subdirectory. If the consumer is not in a merchant's subdirectory when registration is initiated, then the consumer must be assigned to a merchant. This is done in step 428 by requesting the user's zip code and in step 430 matching the user's zip code to zip codes of merchants stored in the merchant address information table. The merchant with the closest to a matching zip code will be assigned to the consumer. If multiple merchants have equally close zip codes, then a merchant is selected at

random from among the equally close merchants, and the selected merchant is assigned to the consumer. The merchant that is assigned to the consumer is associated with that consumer by storing the merchant's identifier into the consumer ID record that has been created for the consumer.

[0111] A After assigning a merchant to a consumer, in step 432 a page is displayed to the user to obtain the user's suggested login identifier and password. The merchant's logo is presented on this page so that the consumer is made aware of their affiliation with the merchant. In addition to a login identifier and password, the consumer must supply address information that can be used in verifying the billing address of the consumer. The terms and conditions of the use of the system, including warranty terms and other policies may be provided on this page so as to be certain that any consumer who registers with the system and makes purchases has been advised of these terms and conditions.

[0112] The user may specify an invalid password (i.e., one that is too short or has disallowed characters), in which case in step 434 the user is notified that the password they have selected is invalid, and the user is returned to step 432 to request a password again. The user may also select a login identifier that is a duplicate of a login identifier selected by another user. If this occurs then in step 436 the user is so notified, and processing returns to step 432 so that the user may select a different login identifier. If the login identifier and password selected by the user are acceptable (step 438) then the address login identifier and password that have been provided by the user are stored in step 440 into the consumer's information record. Then in step 442 the user is directed to the website of the merchant to whom they have been assigned. In many cases the merchant's website may be hosted by a server other than server 12, although server 12 may also host merchant websites, in which case the user may not be directed to a different server. Once at the merchant's website, the user may return to view the catalog by activating a button or click area of the merchant's website to view the catalog, as discussed above with reference to FIG. 4A, step 404.

[0113] Returning now to FIG. 4B, a user may log into the system and purchase items by arriving at step 388 in which an add to shopping cart button is displayed. If, in step 450, the user presses the add to shopping cart button, then server 12 initiates the shopping cart and purchase process in step 452.

[0114] Referring to FIG. 4D, in this process, in step 453, a purchase and shopping cart record is created in the purchase and shopping cart table, including the consumer's ID, the item ID and the affiliated merchant's ID. In step 454 the current shopping cart contents for the consumer are displayed. This is done by querying the purchase and shopping cart table to find all records having the consumer's consumer ID and displaying details of the items that are reflected in those records. When viewing the shopping cart contents of step 454, the user may take various actions to purchase additional items, delete items or return to shopping.

[0115] If the user elects to remove one or more item(s) from their virtual shopping cart in step 456, the user does so by selecting the item(s) in the display of the shopping cart contents, and pressing a remove button or click area. In step 458, the item is removed from the virtual shopping cart for